



## Carson Plan: Deregulation to Promote Affordable Housing

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Remember the old Point/Counterpoint segment on CBS's *60 Minutes*? Two political commentators, a far right conservative and an equally lefty liberal argued the merits or lack of a current controversial issue. Two recent articles in the same issue of *The National Review* were reminiscent of that feature - except this was two conservatives arguing which parts of Ben Carson's recent performance were more meritorious. They both had their points, and both managed to **entirely overlook** a singularly important one.

The topic was the Secretary of Housing and Urban Development's recently announced plan to combat the lack of affordable housing by taking on stringent local zoning and land-use regulations.

The centerpiece article is written by Michael Tanner, a senior fellow at the Cato Institute. He mentions in passing some of Carson's "missteps and misstatements" including the infamous \$31,000 dining table. But since then, Tanner says, "Carson has quietly pushed a number of policy initiatives that could cement his legacy as one of Trump's most consequential cabinet members."

These, the writer says, include the elimination of Community Development Block Grants, slashing some of HUD's bureaucratic red tape, and showing a willingness to **adjust rents in public housing** to "control the department's ballooning expenditures." Tanner does not mention what the New York Times called the Secretary's attempt to scale back federal enforcement of fair housing laws, "freezing enforcement actions against local governments and businesses, including Facebook, while sidelining officials who have aggressively pursued civil rights cases."

But now Carson has set his sights on **local zoning and land-use laws**, potentially, Tanner says, helping millions of poor Americans. "If successful, Carson's efforts could be some of the biggest boosts for the poor and disadvantaged to come out of Washington in quite some time."

Tanner says these local laws were born largely out of racism but have evolved into a tool for wealthy property owners to protect their properties. Laws that restrict the supply of new housing drive up the cost of owning and renting beyond the reach of many poor Americans. "Studies show that such regulations add as much as 20 percent to the cost of a home in Baltimore, Boston, and Washington, 30 percent in Los Angeles and Oakland, and an astounding 50 percent or more in cities such as San Francisco, New York, and San Jose".

Traditionally HUD and other agencies respond to increases in housing costs with higher subsidies. But this policy mostly redounds to the benefit of landlords, Tanner says, so Carson has decided to attack what he sees as the problem at its source. He intends to link federal housing funds to local officials' willingness to reduce regulations that restrict affordable housing. This would ensure that, "if mayors and governors continue to pander to wealthy special interests by enacting barriers to housing construction, **Washington will no longer bail them out.**"

Tanner says high housing costs are an important factor in **trapping millions of households in poverty**, preventing geographic mobility, and that zoning continues to be an important factor in reinforcing racial segregation. He credits Carson with attempting to "strike a powerful blow on behalf of the poor and vulnerable"

The **counterpoint** - titled *Two Cheers for Ben Carson* - is written by regular *National Review* contributor Robert VerBruggen. He characterizes Carson's intentions as joining the bipartisan YIMBY movement - saying "Yes, in my back yard" as opposed to N(ot)IMBY, and calls that movement correct on the policy merits.

Overly aggressive zoning and land-use regulations, VerBruggen says, do **immense damage** to the economy and make it more difficult to integrate neighborhoods, both economically and racially. He calls Carson's regulation far superior to the Obama-era plan he's trying to replace, an effort to force metro areas to directly engineer their neighborhoods' racial balance.

There are even some conservative arguments for the federal government to push better policies, he says. As a political matter, federal subsidies for affordable housing aren't going anywhere and it makes little sense to subsidize affordable housing in cities that are **deliberately making housing unaffordable**. "Just as we ask welfare recipients to take steps to make themselves self-sufficient, perhaps we might ask federal grant recipients to stop obstructing the purposes of the grants they receive."

But he also points out that the proposed policy has some very unconservative aspects as well. He says essentially the national government is taking taxpayers' money and **refusing to give it back** unless those taxpayers support the right policies at another level of government, "thus overriding the key distinctions of American federalism. "It's one thing if those policies are unconstitutional; it's another when they're just bad or have a disparate impact on the poor."

What both authors neglect to note is that zoning and land-use regulations do not come about just from racism nor to protect the property rights of the well-to-do. Many of them are sensible, contributing to the public health and safety and protecting the environment.

To starve local governments into eliminating them might benefit builders and investors instead. They could allow high density development in areas without the infrastructure to support it or permit builders to infringe on wetlands. While the National Association of Home Builders cites similar numbers as Tanner's regarding the added costs builders face from

regulations, there is no guarantee that deregulation would mean building more affordable units. Other incentives have long led them to build larger and fancier.